



**INTRODUCING VFMVN30 ETF  
A BROAD EXPOSURE  
TO THE VIETNAM MARKET**

# VIETNAM: INVEST FOR GROWTH

After depression period from 2011 to 2013, the Vietnam economy has strongly recovered. GDP growth in 2015 reached 6.68% and GDP growth in 2016 is forecast by the government and other organizations to be around 6.8%, strengthening the upside. According to Bloomberg, Vietnam is expected to have the second highest GDP growth rate after India in 2016.

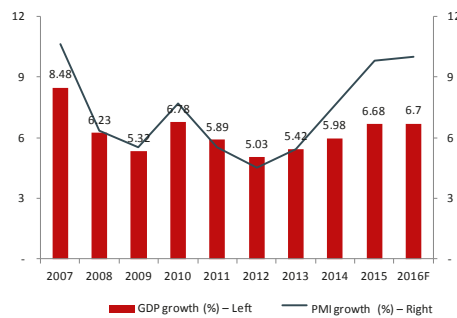
## Key factors:

GDP growth of 2016 may reach 6.8%, boding the recovery trend

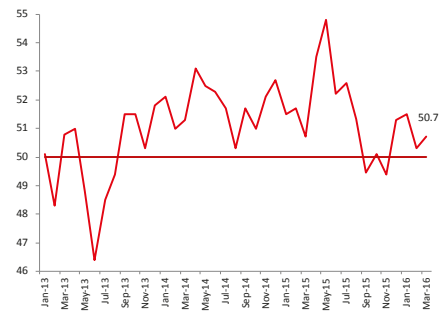
Inflation that reached bottom signaled that the recovery of Vietnam economy has completed and stepped into a new growth phase

Lending rates are expected to be stable toward year end in 2016, paving the way for more reduction in financial burden.

GDP AND INDUSTRIAL PRODUCTION GROWTH



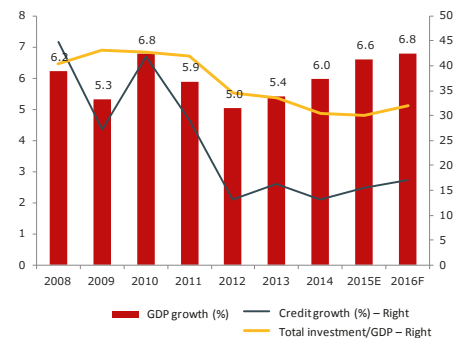
THE MARKET PURCHASING MANAGER INDEX (PMI)



LENDING RATE AND INFLATION (%)



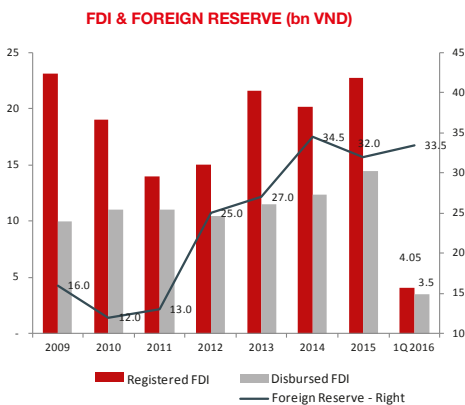
INVESTMENT, CREDIT GROWTH AND GDP GROWTH (%)



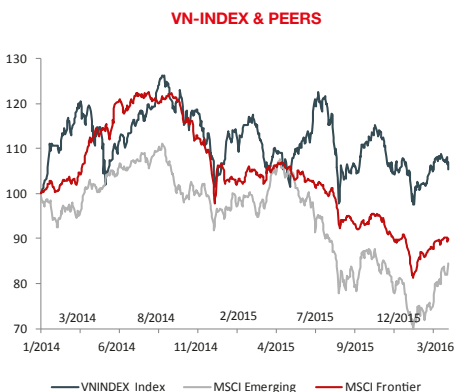


# “Lower inflation, strong export, high FDI, and buoyant remittances have restored macro stability”

FDI investors come from 100 countries; some reputable investors include tech giants like Intel, Samsung, LG, Panasonic and Microsoft. FDI flow is accelerating followed by important Free Trade Agreements, especially the TPP which is expected to complete in 2016. Among the participants in APAC, Vietnam will supposedly benefit the most from this agreement.



50% of Samsung smartphones are made in Vietnam.



80% of Intel CPUs are made in Vietnam

The VN Index has outperformed its peers and showed stronger resistance in the downturn

# VIETNAM ETF EXPOSURE VEHICLES TO VIETNAM

Market Vectors Vietnam ETF and Db X-Tracker FTSE Vietnam UCITS ETF are two foreign funds with Vietnam focus that have been gaining impressive growth since inception; the two funds have combined total asset of US\$ 673.4 million (May 2016) with daily traded value of US\$ 6.9 million. However, those funds cannot fully gain exposure to the Vietnam market due to ownership limitation regulation.

- Two Vietnam-focused ETFs:  
Market Vectors Vietnam ETF & Db X-Tracker FTSE Vietnam UCITS ETF.
- Combined assets of US\$ 673.4 million (May 2016) and daily traded value of US\$6.9 mil.  
The funds grew rapidly from small beginnings even as the market spluttered.
- Van Eck allocates up to 30% of its assets in non-Vietnamese holdings.

MARKET VECTORS VIETNAM ETF	
AUM	\$336.3million
Provider	Van Eck Global
Exchange	NYSE
BBG Ticker	VNM
Inception	Aug 2009
Index	Market Vector Vietnam
Total Expense Ratio	0.70%
Methodology	Physical Replication
Tracking Error	2.77%
Daily Trading Value	\$5.5m (12 mo's)

DB X-TRACKER FTSE VIETNAM UCITS ETF	
AUM	\$337.1 million
Provider	Deutsche Bank
Exchange	LSE, SGX,HKE, ...
BBG Ticker	XVTD LN, 3087 HK
Inception	Jan 2008
Index	FTSE Vietnam Index
Total Expense Ratio	0.85%
Methodology	Synthetic Replication
Tracking Error	0.16%
Daily Trading Value	\$1.4m (12 mo's)

# A BETTER SOLUTION FROM VFM

VFMVN30 ETF is the dominant player out of the only two local ETF funds. The Benchmark Index - VN30 obtains diversification and liquidity which turns VFMVN30 ETF into a more active, attractive and transparent choice for foreign investors who want to get through the barrier of foreign ownership limits.

## FUND FACTS

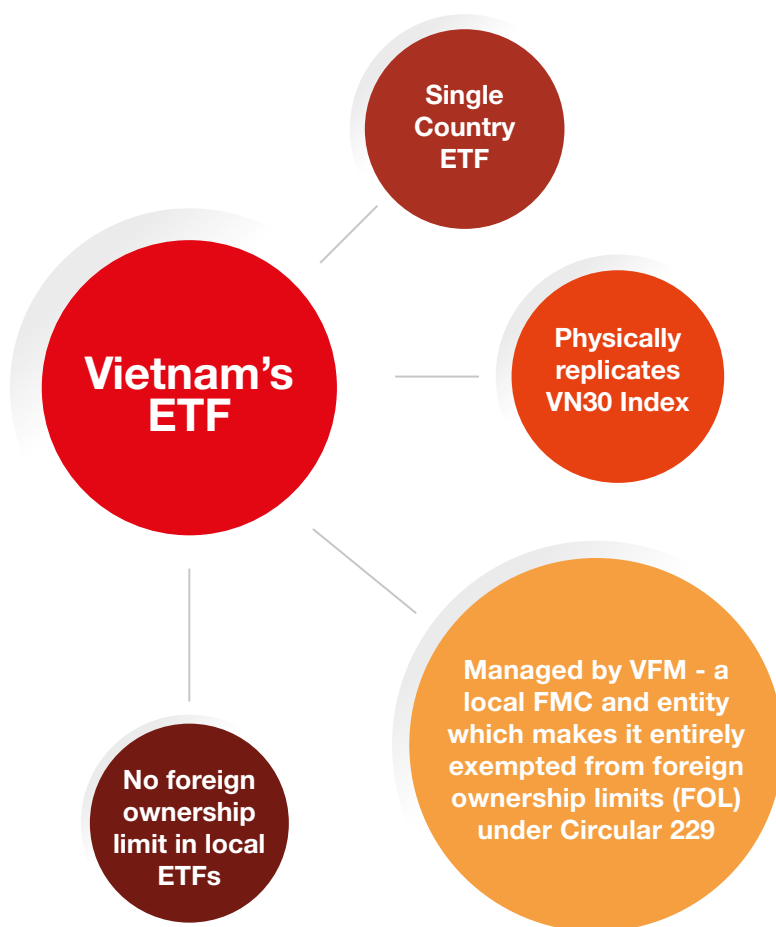
Legal Name	VFMVN30 ETF
Ticker	E1VFN30, listed on HOSE
Currency	VND
Investors	Domestic and foreign individuals, institutional investors, Authorized Participants
Duration of Fund	Unlimited
Initial Fund Charter Capital	VND 202 Bil (USD 9.53Mil)
AUM (31 Oct 2015)	VND 375,1 Bil (USD 16.74 Mil)
Inception date	August 14, 2014
A Creation Unit	Equal to 100,000 ETF fund certificates
Fund Manager	VietFund Management (VFM)
Custodian Bank	Standard Chartered Bank Viet Nam
Transfer Agency	Vietnam Securities Depository Center (VSD)
Fund Administration	Standard Chartered Bank Vietnam
Expense Ratio (%) annually	0.98
Tracking Error (%)	0.36
Exchange Trading Time	Daily
Dividend Distribution	Annually*

(\*) According to decision of the Investors General Meeting.

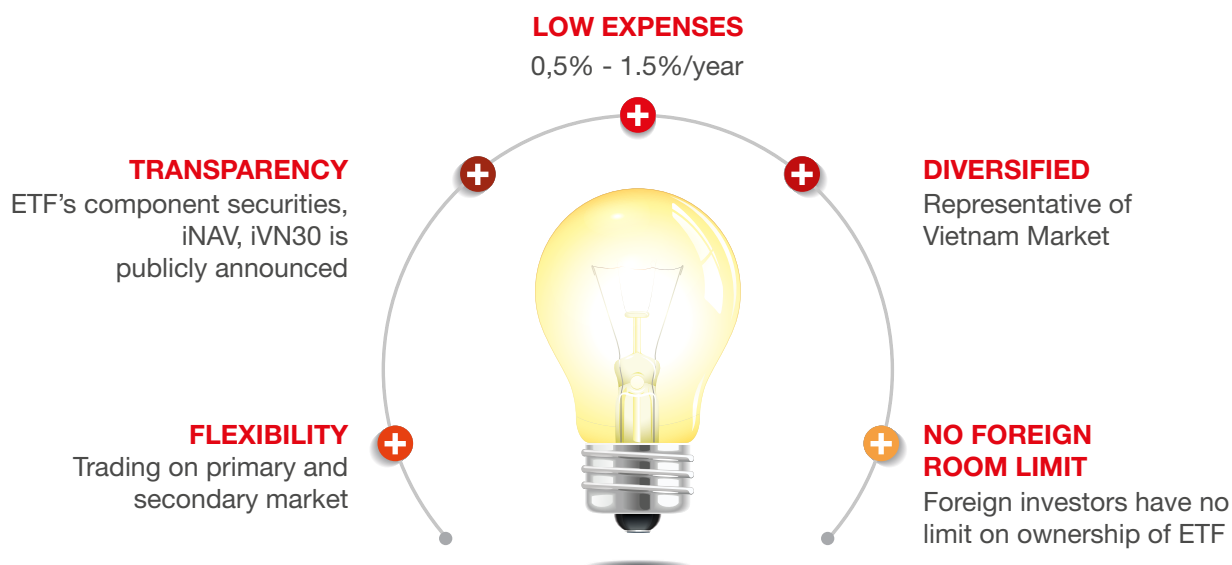
# WHAT MAKES VFMVN30 ETF ATTRACTIVE?

(Ticker: E1VFN30)

On 6th Oct 2014, VFMVN30 ETF was introduced to the market to fill the gap of demand from investors who are seeking for a passive fund product to catch the recovering trend of the market and provide leeway to bypass the foreign ownership limits. By learning from other markets and strategically selecting a good benchmark index, E1VFN30 has performed impressively and doubled in size to around USD 15 million within only 1 year since inception.



## How would VFMVN30 ETF become your best local solution in Vietnam ?

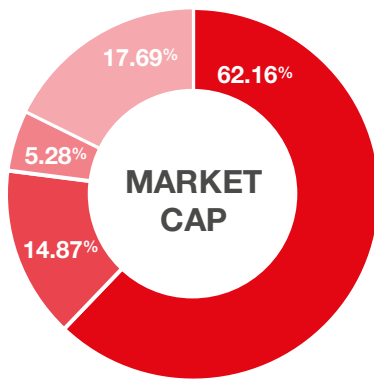


# VN30 INDEX

## THE IDEAL BENCHMARK

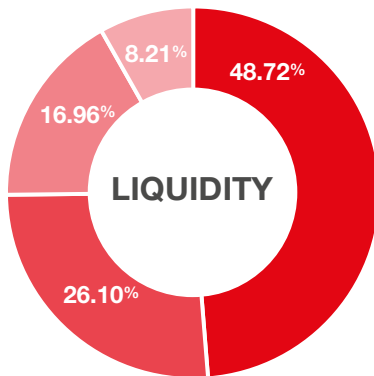
VN30 is an Index of 30 stocks of stable valuable companies with highest liquidity, selected from Top 50 largest free float adjusted capitalizations of Ho Chi Minh City Stock Exchange (HOSE)

VN30's ROE is higher than VN Index while, Price/Earning, Price/Book value and Debt/Equity ratios are lower than VN Index.



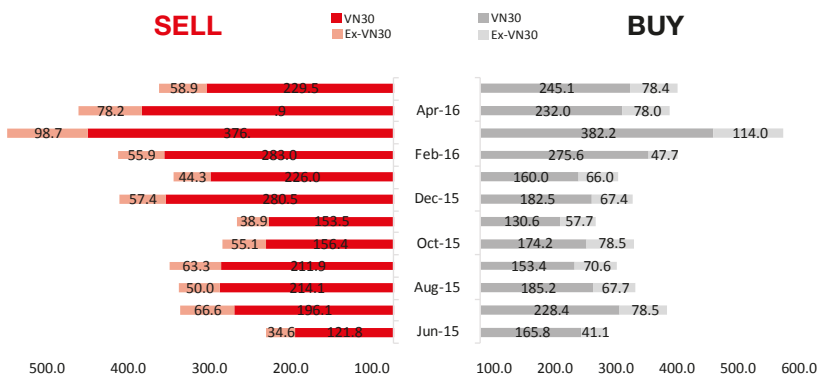
- VN30's total market capitalization is USD 34.7bn, accounted for **62.16%** of HOSE's total market capitalization.
- **8/30** stocks have market capitalization of more than **USD 1bn**.
- VN30's market capitalization range is from \$US103.4mm (HVG) – US\$7.3bn (VNM)

■ VN30 ■ VN-MIDCAP ■ VN-SMALLCAP ■ UNQUALIFY



- VN30's daily traded value is USD 38mm approximates **48.72%** of that of HOSE's daily traded value.
- **14/30** stocks have daily traded value of more than **USD 1mm**.
- VN30's daily traded value range is USD 0.16mm (EIB) – 3.5mm (VNM).

■ VN30 ■ VN-MIDCAP ■ VN-SMALLCAP ■ UNQUALIFY



For foreign sector, VN 30 Index has received special attention concern:

- 6/30 Stocks are full room, 10 others almost reach the limit but foreigners are still active and outnumbered in total trading.
- Total market capitalization is owned by foreigners up to USD 10.3 bil, accounting for ~76.8% of total foreign investment on HOSE.

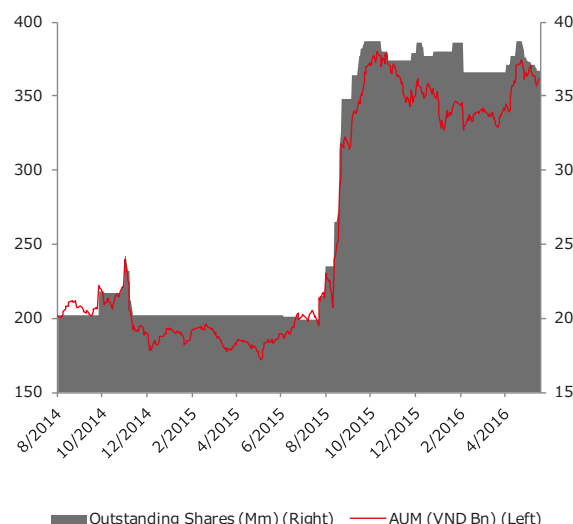
# PERFORMANCE

Since inception, VFMVN30 ETF has nearly doubled in size and attracted special attention from foreign investors. After one year of operations, demand for the VFMVN30 ETF from international investors has been higher than demand from domestic investors since the beginning of August 2015.

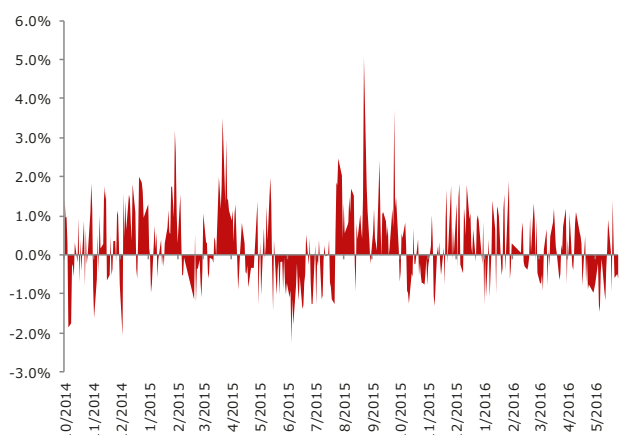
**FUND PERFORMANCE VS. VN30-INDEX**



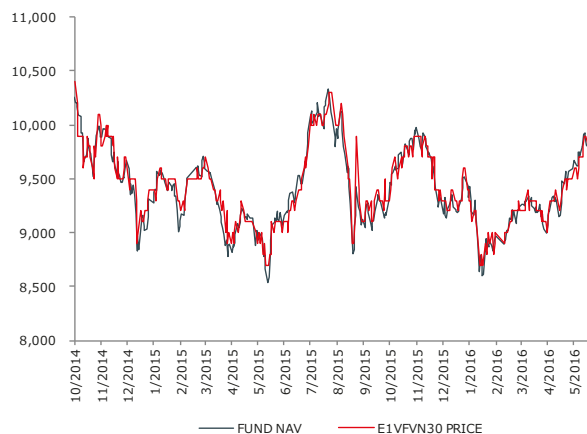
**ASSET UNDER MANAGEMENT (VND bn)**



**PREMIUM/DISCOUNT**



**NAV VS. CLOSING PRICE**





# MARKET MAKER

## THE ESSENTIAL ROLE FOR TRADING ETF EFFECTIVELY



HSC and VFM representatives at the ETF launching event

Ho Chi Minh Securities Corporation (HSC), is the market maker and also authorized participant of VFMVN30 ETF. HSC is currently in Top 2 largest security brokers in Vietnam with ~10% market shares in Ho Chi Minh City Stock Exchange and Hanoi Stock Exchange. The company has powerfully demonstrated its market know-how, service capabilities and exceptional technical advantages in delivering a comprehensive list of financial services for Private and Institutional Clients.

HSC's ETF team delivers superior product knowledge, research, insights and solutions to the exchange traded fund community, pre- and post-trade.

### Prestigious awards of HSC:

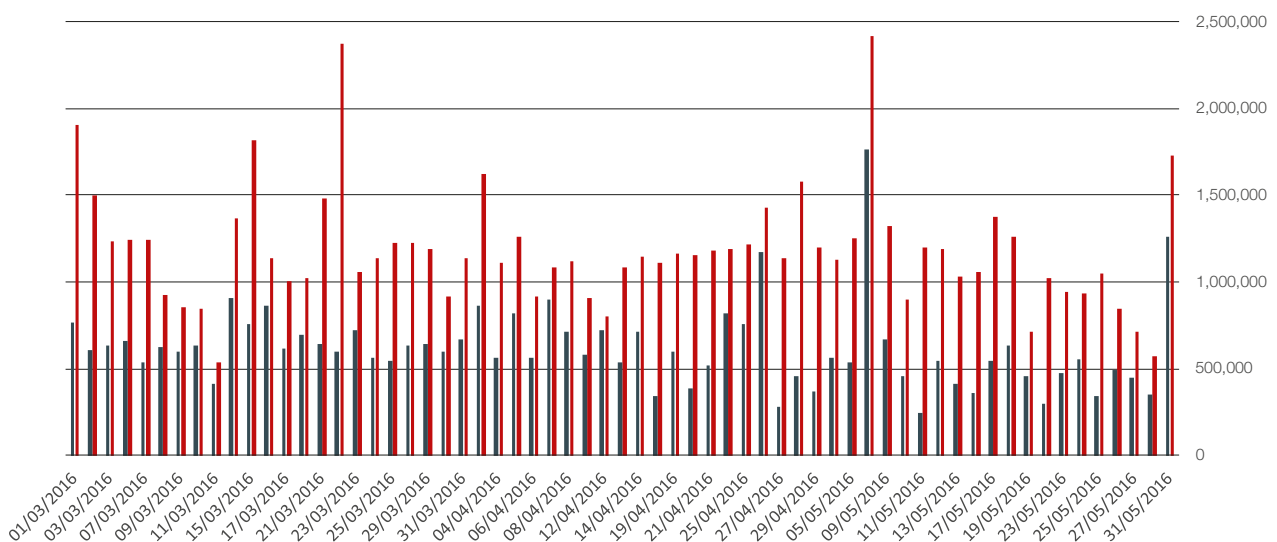
- The Best Managed Brokerage House in APAC region, 2014, by the Asian Banker.
- The Best Brokerage House in Vietnam, the 2012 & 2014 Triple A Country Awards, awarded by The Asset.

### The important role of market maker for E1VFN30:

- Since VFMVN30 ETF had a Market Maker, liquidity has improved significantly.
- E1VFN30's average daily asks and bid volume are 3.0 mil shares and 2.0 mil shares, respectively. On average, ask and bid volume per order are 20 thousand shares.
- Investors can buy or sell E1VFN30 with large volume for the best price during trading hours.

HOCHIMINH CITY SECURITIES CORPORATION (HSC) FIRST MARKET MAKER IN VIETNAM

■ Ask volume ■ Bid volume



# HOW TO BUY

OPEN  
ACCOUNT  
WITH AP

PRIMARY  
MARKET

SECONDARY  
MARKET

Get quoting from AP's designated broker during trading hours (9:00 AM – 11:30 AM | 13:00 – 14:45 daily)  
Accept the quote and confirm with broker  
AP trade with investor's account over the agreed ETF size and price  
ETF will be credited in investor's account on T+3

Trade E1VFN30 directly as a stock using trading tool

For more details, please refer to our [website www.vinafund.com](http://www.vinafund.com)

# ABOUT US

VietFund Management (VFM) is the first fund management firm operating in Vietnam, providing diversified financial products and services to local and international investors through investment funds and portfolio management services.

Founded in 2003, VFM has currently been leading the domestic portfolio management industry with the largest total assets managed through the highest number of funds in the market. The firm has extensive connections with local and international investors. Our head-quarter is based in Ho Chi Minh City with a branch office in Hanoi, the Capital of Vietnam.



## Key fact about VFM

### > USD 100 Mil

Largest AUM on equity in Vietnam

### > 12 years

First domestic Fund Manager in Vietnam with more than 12 years of experience, a subsidiary of Dragon Capital

### > 70%

Manages more than 70% total AUM of public funds in Vietnam

### VF1, VF4, VFB

Leading performance in the market

### > 5 Funds

The most Diversified basket of fund products in the market (equity, fixed income, balanced, blue-chips, ETF)

## VFM's products suite

CURRENT PRODUCTS	Active		
	<b>VF1</b> Established in 2004 Balanced strategy	<b>VF4</b> Established in 2008 Growth/Value blue-chips strategy	<b>VFB</b> Established in 2013 Fixed income strategy
	Passive		
	<b>ETF VFMVN30</b> The first domestic ETF, established in 2014 Replicating performance of VN30 Index		
UPCOMING PRODUCTS	<b>PROVIDENT FUND</b>	<b>REAL ESTATE FUND</b>	



---

## CONTACT

---

### Head office:

Unit 1701-04, 17th Floor, Melinh Point Tower,  
02 Ngo Duc Ke, Dist 1, HCM City, Vietnam.  
Tel: (+84-8) 3825 1488  
Fax: (+84-8) 3825 1489  
Hotline: (+84-8) 3825 1480  
Email: [info@vinafund.com](mailto:info@vinafund.com)  
Support: [ir@vinafund.com](mailto:ir@vinafund.com)  
Website: [www.vinafund.com](http://www.vinafund.com)

### Hanoi branch:

Unit 903, 9th Floor, BIDV Tower,  
194 Tran Quang Khai, Hoan Kiem District, Hanoi  
Tel: (+84 4) 3942 8168  
Fax: (+84 4) 3942 8169  
Email: [vmhanoi@vinafund.com](mailto:vmhanoi@vinafund.com)

